

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-03-13

IDAHO POWER COMPANY

EXHIBIT NO. 18

L. SMITH

Annualizing Adjustments to Operating  
Expenses and Rate Base

**Idaho Power Company  
Summary of Annualizing Adjustments to 2003  
Operating Expenses**

<u>Line No.</u>	<u>Source Page</u>		<u>Amount</u>
<b>Annualizing Adjustments</b>			
1	A	Operating Payroll	\$ 2,913,244
2	A	Property & Liability Insurance	<u>384,583</u>
3		<b>Total Annualizing Adjustments</b>	<u><u>\$ 3,297,826</u></u>

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**Idaho Power Company**  
**Detail of Annualizing Adjustments to 2003**  
**Operating Expenses**

Line No.		<u>Amount</u>
	1) Operating Payroll (Various accts)	
1	December estimated two pay periods	\$ 8,356,933
2	Times 13 (26 pay periods per year)	108,640,131
3	Less 2003 Estimated Total Year	<u>104,404,373</u>
4	Gross Adjustment	4,235,758
5	Operating percent	<u>68.78%</u>
6	Adjustment to Operating Expense	<u><u>\$ 2,913,244</u></u>
	2) Liability & Property Insurance (924 & 925)	
7	New monthly premium	\$ 561,647
8	Annualized (Times 12)	6,739,760
9	Less 2003 Actual/Estimated	<u>6,334,487</u>
10	Annualizing Adjustment	\$ 405,273
11	Less Portion to Subsidiaries (5.1053%)	<u>20,690</u>
12	Idaho Power Portion	<u><u>\$ 384,583</u></u>

**Idaho Power Company  
Major Plant Additions Annualized**

Line No.		Annualized Plant	Adjustment for Plant Est to Close 2003	Net Annualizing Adjustments	Average Annual Composite Accrual Rate	Annual Depreciation Expense	Annual Depreciation Reserve	Annual Composite Property Tax Rate	Annual Composite Property Tax	Annual Insurance Rate Per \$100	Annual Insurance Expense
1	Production	\$ 4,422,706	\$(1,360,833)	\$ 3,061,873							
2		2,292,326	(528,998)	1,763,328							
3		1,946,431	(149,725)	1,796,706							
4		<u>8,661,463</u>	<u>(2,039,556)</u>	<u>6,621,907</u>	3.137%	\$ 207,729	\$ 103,865	0.610%	\$ 40,394	\$ 0.050	\$ 3,311
5	Trans station	2,950,810	(453,971)	2,496,839	2.544%	63,520	31,760	0.610%	15,231	\$ 0.061	1,523
6	Trans line	11,549,030	(888,387)	10,660,643	2.131%	227,178	113,589	0.610%	65,030	0.000%	-
7	Total	<u>\$ 23,161,303</u>	<u>\$(3,381,914)</u>	<u>\$ 19,779,389</u>		<u>\$ 498,427</u>	<u>\$ 249,214</u>		<u>\$ 120,654</u>		<u>\$ 4,834</u>

*Rone Stone*

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Idaho Power Company  
Detail of Annualizing Adjustment  
Depreciation Expense in Account 403  
2003 Expected to 2004 Depreciation using 12/03 Plant Balances

LINE NO		
1	2003 Depreciation Expense - Expected	\$ 88,152,411
2	2004 Depreciation Expense based on 12/03 Plant	\$ 91,072,585
3	Increase to Depreciation Expense using December Plant	\$ 2,920,174
4	Increase to Depreciation Reserve Account 108 (Average)	\$ 1,460,087

		A/C 403	A/C 108
5	Total Steam Production	\$ 547,152	\$ 273,576
6	Total Hydro Production	\$ 66,091	\$ 33,046
7	Total Other Production	\$ 41,726	\$ 20,863
8	Total Transmission Stations	\$ 241,636	\$ 120,818
9	Total Transmission Lines	\$ 343,923	\$ 171,961
10	Total Distribution Stations	\$ 151,689	\$ 75,845
11	Total Distribution Lines	\$ 711,960	\$ 355,980
12	Total General	\$ 815,996	\$ 407,998
13	Total Adjustment	\$ 2,920,174	\$ 1,460,087

<sup>1</sup> Detail by FERC categories: